



Virginia Information Technologies Agency



Commonwealth AITR Communications Exchange

Lem Stewart

CIO of the Commonwealth

Commonwealth AITR Meeting
September 19, 2006

expect the best



Welcome!

- Thank you for attending
- We are here to:
 - Answer your questions
 - Address your concerns
 - Listen to you
 - Use your input going forward
- We want your input and participation
- We want this session to be productive for everyone



Our Agenda

- Opening remarks
- Your Questions
 - Financial
 - IT Infrastructure Partnership
 - Procurement
 - Security
- Moderated Q&A



Virginia Information Technologies Agency

Opening Remarks



expect the best



Transformation Program

- Commonwealth Transformation program
- How did it happen?
- VITA model
 - Capital
 - Enterprise system
 - Self-funding
 - Council on Virginia's Future
 - Commonwealth Strategic IT Plan Champions
 - In-scope
 - Out-of-scope

VITA is changing, too!



Value

- Value is in the eye of the beholder
 - General Assembly
 - Governor Kaine
 - 900 customers
 - Savings
 - Value of Transformation
 - Customer satisfaction
 - IP network
 - VITA rates and perceptions
 - VITA costs and perceptions

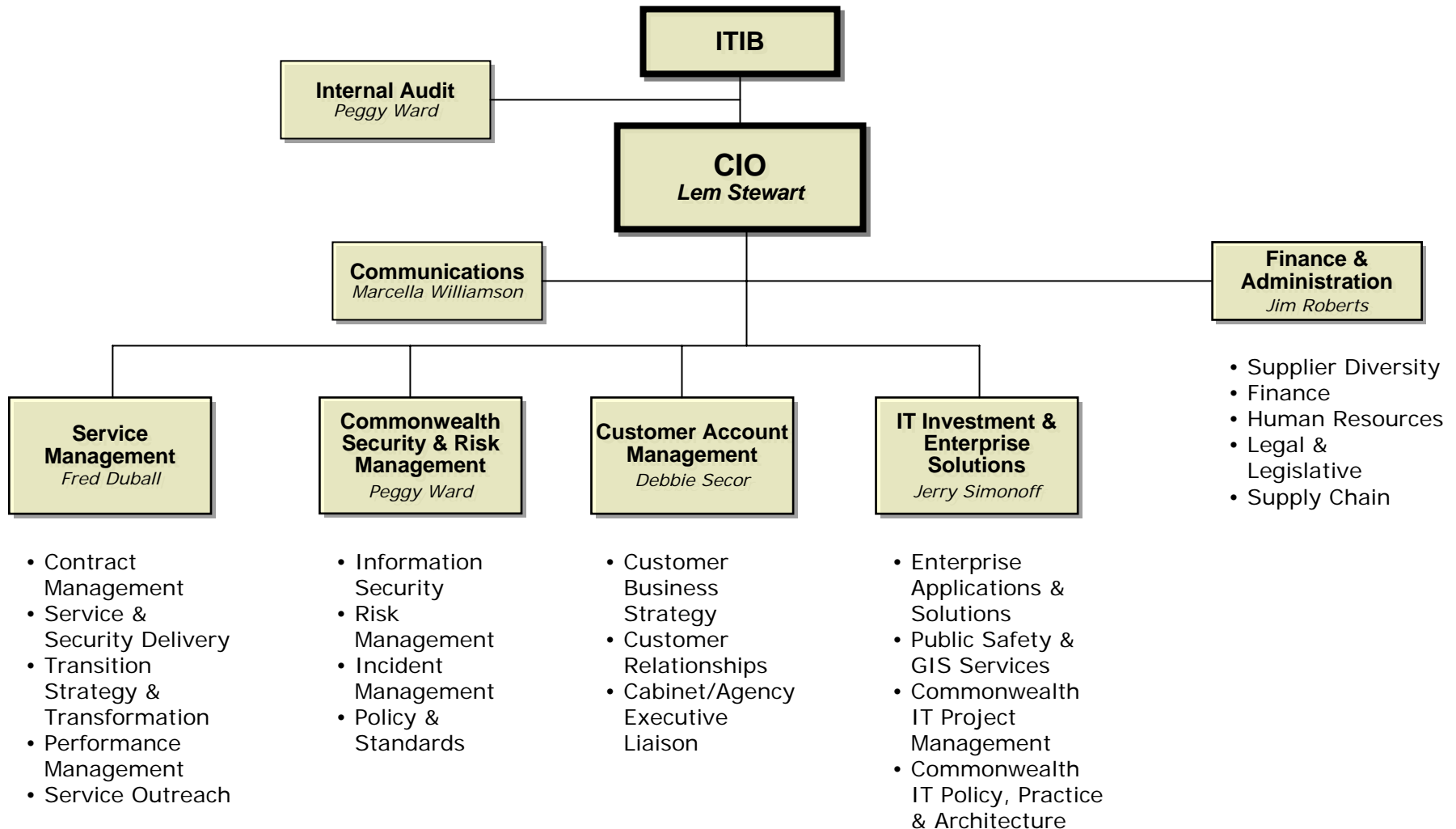


VITA's Overhead Costs Are Decreasing

	FY03	FY04	FY05	FY06	FY07
Percentage Indirect	15.6%	17.1%	12.1%	10.3%	9.5%
Percentage Direct	84.4%	82.9%	87.9%	89.7%	90.5%
Total	100%	100%	100%	100%	100%

Total anticipated overhead cost decrease of 6.1%

VITA 3.0 Functional Organization





Challenges

- Financial
 - MOUs
 - Procurement
 - Rates
 - Security
- Magnitude of change
- Working as an enterprise in a silo world
- Pressure for success



Key Take-Aways

- VITA model is first of many enterprise approaches for performance management
 - Governor Kaine's agency head meeting
 - General Assembly requirements
 - VITA is not going away
 - VITA is the messenger—not the enemy
- Change = Pain
- We must work together for the success of the Commonwealth's initiative
 - We need your support and participation
 - We can work together for success or fight each other – our choice
- Let's focus on group issues, strategies and solutions to build an effective and friendly IT environment



AITR Meeting Vision

Today – 60 percent of our energy (management and budget) goes to keeping the infrastructure alive, which offers little value to the business.

Future – Infrastructure is a utility, freeing up our energy to focus on adding value to the business. We don't talk feeds and speeds and widgets anymore; we talk business needs to support services to citizens and taxpayers.



Virginia Information Technologies Agency

Your Questions



expect the best



Financial

Question

I'd like to know more about the NG contract, specifically how the cost was set and how that relates to the MOU2 costing methodology.

Answer

- NG contract negotiated July – November 2005
- Relatively short history for VITA as a consolidated agency
- Estimates/forecasts were basis for projecting FY05-06 costs for agencies
- Legacy systems (mainframe) had well-established track record of costs



Financial

- Estimates of costs in-scope to the partnership (telco, desktop, helpdesk, etc.) served as basis, or “cap,” for the contract agreement
- MOU charges are based on most recent actual costs for each agency
 - Based on “direct bill” model for last 12-18 months
 - Working to factor in or out peculiarities of a particular agency
 - As agreed to with the agency



Financial

Question

- How will incremental cost charging work?

Answer

- Near term (2006-07)
 - The agency agreed-to rates for personal and non-personal service costs are allocated against agency's asset base
 - The unit cost – or average effective rate – is established for desktop support, network, etc.
 - The unit cost will be the basis for service adds or subtracts going forward
- Long term (2008 and beyond)
 - A single, more robust, menu of service and charge options will be in place across all agencies



IT Infrastructure Partnership

Question

- I need some clarification on what the agency can maintain and what VITA/NG will maintain? Is there a check list with those items and situations spelled out?

Answer

- In general, all IT Infrastructure is “in-scope” to VITA and the partnership. IT Infrastructure can be defined as mainframe, servers, networking components (routers, switches), desktops, laptops and printers. There have been a few minor exceptions to this and those exceptions have been spelled out in each agency’s MOU.



IT Infrastructure Partnership

Question

- When will a project timetable be available to help agencies plan for change?

Answer

- Specific plans are being developed now and agency input will be required prior to finalizing any plan. We expect to be meeting with agencies in October and November to finalize Phase 1 in December. Transformation implementation for Phase 1 will begin in January. We appreciate the agencies that stepped forward to be pilot sites for transformation. We expect implementation will begin in December.



IT Infrastructure Partnership

Question

- What is the plan for site visits?

Answer

- We will begin to visit agencies in October for the purposes of preparing for Transformation and to get your insight and buy-in for timing of Transformation. Planning involves a dialogue—an exchange of information and data-gathering to ensure the Transformation process is successfully planned, understood and implemented. Some of these meetings have begun with the pilot sites.



IT Infrastructure Partnership

Question

- For agencies planning to move to a new location in the next 12 months, should we plan to move servers and network equipment and devices?

Answer

- Any agency that is planning on moving in the next 12 months should contact us. There may be opportunity to influence positively your Transformation schedule for some of the infrastructure involved.



IT Infrastructure Partnership

Question

- Will each agency's e-commerce service delivery be evaluated prior to change?

Answer

- Since the application layer of e-commerce is essentially an out-of-scope service, we will not be evaluating this area of e-commerce. If the question is related to an infrastructure component (such as network connectivity or server performance), then it will be evaluated to determine its ability for consolidation into the new data center, performance and monitoring tool installation, and other items.



Procurement

Issue

- Since the transition to Northrop Grumman on July 1, the review and approval time for I.T. purchase transactions has increased significantly. Our agency SLD has been removed from the technical review and approval process and that is now all being done by N-G and it has at least doubled (sometimes more) our previous order processing time. The technical review is being performed by N-G staff who are not familiar with the individual agency infrastructure and time is wasted by emails and phone calls back to the agency to get more information. My suggestion is to return the technical review and approval to the agency SLD and leave the enterprise level review to the N-G staff. I think this will improve the processing time and make your customers happier.



Procurement

Issue

- Our agency feels that VITA/NG purchasing processes have created problematic delays in requests for IT hardware and software. These delays have resulted in service outages and delays to agency end users.



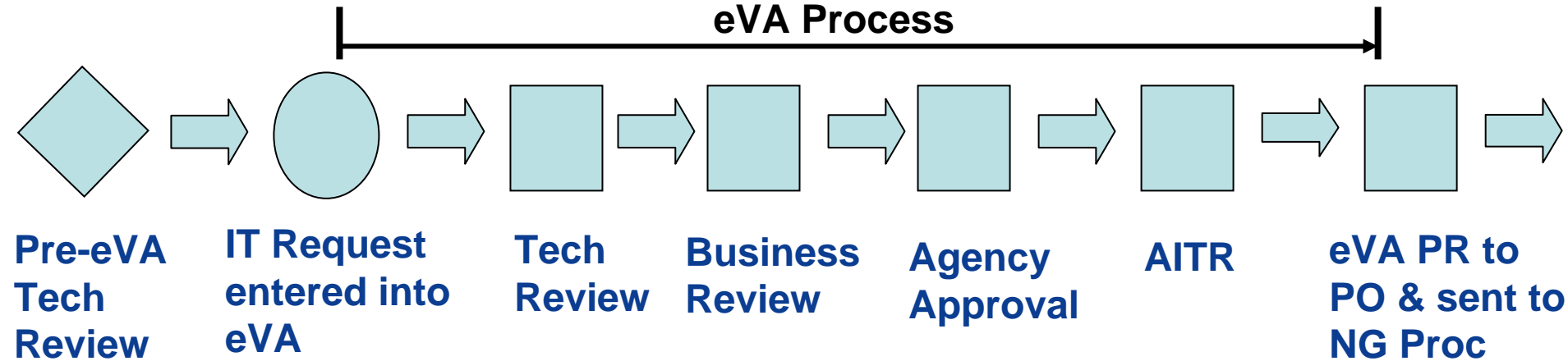
Procure to Pay (P2P) 60-Day Assessment

- P2P Process is NOT working as anticipated
- Agency customers are experiencing delays in processing procurement requests
- Multiple Reviews are complicating the process – each has different rules of engagement

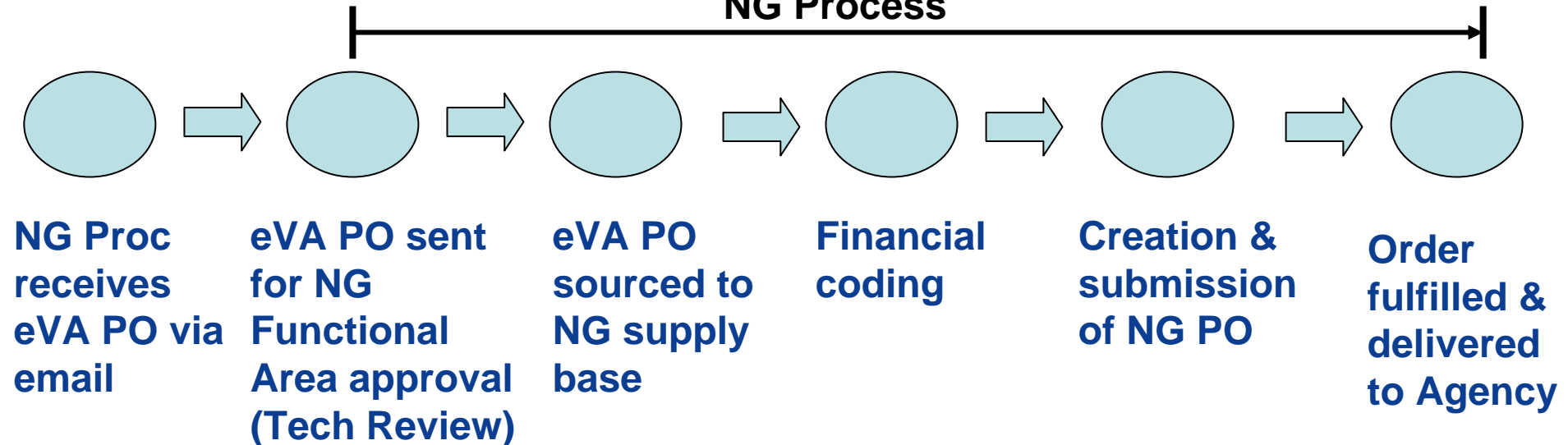


Current Procurement Workflow

eVA Process

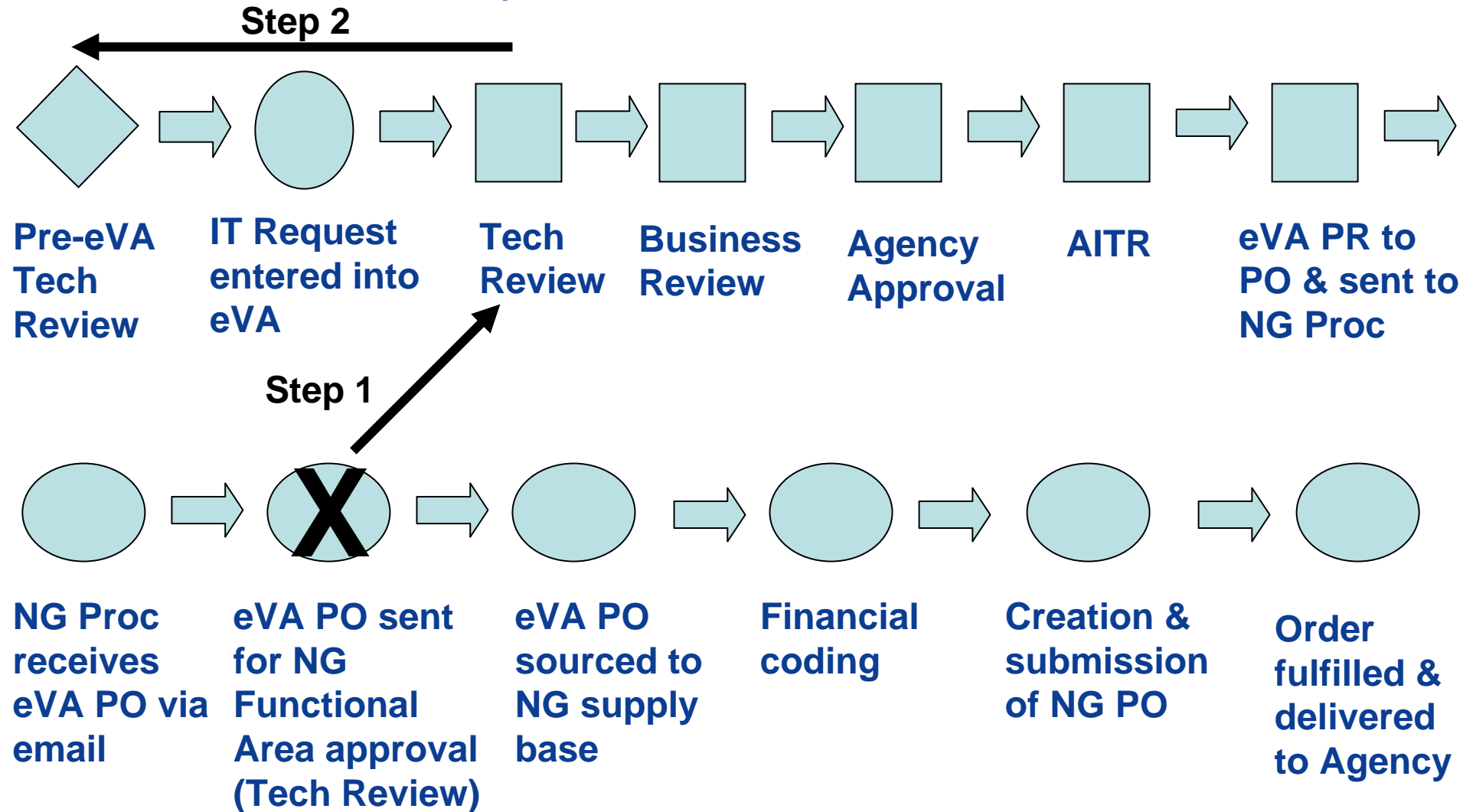


NG Process





Proposed Procurement Workflow





Next Steps: 30-Day Plan

- Consolidate 3 Technical Reviews to 2 by 9/8/06
 - Continue to focus on backlog and reduce processing time
- VITA Partnership P2P Team to address end-to-end process
- Implement metrics to measure P2P Process
- Develop Plan to migrate Technical Review/Approval out to the field



Procurement

Question

- Under the first MOU, purchases with 100% federal reimbursed funds were out of scope to VITA and the administrative fees were not charged. It took extraordinary measures to make that happen. Recently we were required to have VITA review a procurement for wiring 100% federally reimbursed funded project at a federally owned facility. Scope of work and specifications were developed by the federal government. This would appear to be an unnecessary review by VITA and duplication of what the federal employees have already scoped out. This project has nothing to do with the Commonwealth of Virginia owned and maintained infrastructure. Can we get a streamlined procedure for this type of procurement?



Procurement

Answer

- Legislative requirements for oversight of “major” and “non-major” projects have not changed
 - Issues of “in- or out-of-scope” to VITA do not impact these review/oversight requirements
 - IT Investment Board and CIO have responsibilities to ensure IT investments made by state agencies are appropriately planned and executed, and the intended business objectives are achieved
- Commonwealth Project Management Standard does not lay out a “one size fits all” approach
 - Requirements are based on the complexity of the project and its associated risks, as evaluated by the proponent agency
 - Good project management is keeping controls and risks in balance
 - We welcome your feedback on how we can better assist you



Procurement

- VITA is streamlining its processes
 - Help agencies identify when their business needs will constitute such a project, so that they can adequately prepare
 - Incorporate major/non-major project requirements into Partnership processes to eliminate redundant or overlapping efforts
 - Carry out required review steps in parallel to other project activities to compress calendar times
- Our CIO has set an objective of eliminating the APR process, as it applies to major/non-major project review and approvals, as a separate, stand-alone procedure. Working with you, we believe that can be done.



Security

Question

- We are processing a security survey from APA and VITA ran a security scan on the network. When I replied to APA that we were going to follow VITA security policy, they stated that each agency has to have its own separate written policies and procedures. This appears to be some what of a duplication of effort and is VITA available (without charging the agency) to assist in writing these documents for each individual agency?



Security

Answer

- Each agency is responsible for developing their own unique policies relative to their own business processes, sensitivity of data and risk tolerance
- According to COV ITRM Policy 500-02 Information Technology Security Policy, each Agency Head is responsible for
 - Security of the Agency's data
 - Taking appropriate steps to secure Agency IT systems and data through the development of an Agency IT security program
- Each Agency is responsible for having their own Information Security Policies related to how they utilize technology
 - Security awareness training
 - Protection of data
 - Back-up and recovery
 - Continuity of operations planning (COOP)
- VITA is developing guidance documents to assist you in implementing the security policies and standards



Virginia Information Technologies Agency



Moderated Questions & Answers



expect the best



Moderated Q&A

- To make the session productive
 - Ask questions that apply to multiple agencies
 - Please talk to your CAM with agency-specific questions
 - New issues may go to “parking lot” for future meetings
 - If you are on-site, please use microphone so everyone can hear
- We welcome your questions
 - Call us or send your questions to us after the meeting

What's on your mind?



Parking Lot

- Communications with AITRs, agency heads and other executive leaders
 - Consistency (message and process)
 - Balance (the “right” amount of information vs. too little or overloading)
 - Channels (who delivers and how)
- Enterprise Applications PPEA
- Escalation of service requests/issues



Tell Us What You Thought of This Meeting

- Ideas for future topics?
- Frequency of the meeting?
- Ideas for future locations?
- What else?



Conclusion

Next meeting:

October 23, 2006

8:30 a.m. Networking

9 – 11 Meeting

DMV

2300 W. Broad St.

Richmond, VA

Send your questions, comments, suggestions to:

CIO@vita.virginia.gov



Customer Advisory Council Members

Betty Bowman	Dept of Charitable Gaming
Dr. Jim Burns	Dept of Health
Lan Neugent	Dept of Education
Rick Phillips	Dept Of Accounts
Murali Rao	Dept of Transportation
Harry Sutton	Dept of Social Services
John Taylor	Dept of Corrections
Johnny Thomas	Virginia Employment Commission
Valerie Thomson	Dept of Environmental Quality

- Provide advice and assistance around Transformation
- Help with solutions and process re-engineering to benefit all agencies
- Interested in participating? Contact Fred Duball at (804) 343-9026 or fred.duball@vita.virginia.gov